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INFO RUCNCOM/EC CARICOM COLLECTIVE  
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UNCLAS SECTION 01 OF 02 PARAMARIBO 000444

SIPDIS

SENSITIVE  
SIPDIS

STATE FOR WHA/CAR FOR JROSHOLT; INR FOR BCARHART; EB FOR BETH  
LAMPRON

E.O. 12958: N/A  
TAGS: [PGOV](#) [KCOR](#) [NS](#)  
SUBJECT: CORRUPTION CORRODES MINISTRY OF FINANCE, THREATENS  
MINISTER?

PARAMARIBO 00000444 001.2 OF 002

2003 PARAMARIBO 00531, 2005 PARAMARIBO 00589, 2007 PARAMARIBO 00120  
AND 00131

11. SUMMARY: Authorities in Suriname are investigating a suspected fraud conspiracy within the Ministry of Finance and possible links to the Ministry of Education. According to Minister of Finance Humphrey Hildenberg, employees in his Ministry have embezzled approximately U.S. \$375,000. The Minister does not appear to be directly involved in the matter. He pre-empted the leaking of the scandal to the press and negated an attack in Parliament by informing media himself during a surprise press briefing. This admission looked to exculpate his guilt in the affair. Even though some have called for Minister's Hildenberg's resignation, this would appear to be premature. Only Ministers proven guilty in the past have actually resigned, and none so far has gone to jail. END SUMMARY

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ADDING FIVES INSTEAD OF ZEROS  
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12. The Government's Central Account Department (CLAD) has started a financial investigation and the Prosecutor's Office will begin a criminal investigation against sixteen individuals. Those involved are alleged to have manipulated more than 52 invoices. Three of the sixteen individuals were private contractors who provided goods and services to the Ministry of Education. According to Minister Hildenberg, the suspects manipulated the documents after the payment was approved at the Ministry of Education but before they were delivered to the Ministry of Finance. One example showed that a contractor received Surinamese dollars (SRD) 55,250 (US \$19,700) instead of the SRD 250 (US \$89) he was authorized to receive. After the money was transferred to the bank accounts of the contractors, allegedly the government workers involved in the collusion received their share. According to Minister Hildenberg, his workers in his Ministry have embezzled about 1 million SRD (US \$375,000). However, journalists reported finding official documents indicating that 1.8 million SRD (US \$643,000) were stolen. One media source reported the GOS was swindled out of 6 million SRD (US \$2,141,857).

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PRE-EMPTIVE MOVE AND RESPONSE  
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13. In response to evidence of fraud discovered by CLAD on August 8, Minister Hildenberg decided to speak out to the media. He said he was shocked that these fraudulent practices went unnoticed since tampering with documents included using correction fluid and other obvious irregularities. Opposition members asked how this could

have gone unnoticed and asked for assurance from the government and its investigative bodies that all information will be shared in the future and for measures to be taken to prevent this from happening again. This is ironic as an official at the MFA told EmOffs that Minister Hildenberg has a good reputation, and is considered to be one of our best Ministers.

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DO THE BIG FISH GO TO JAIL? WELL, SOMETIMES  
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¶4. Since the New Front Coalition came to power in May, 2000, several financial and corruption scandals have erupted. In only one case was there any punitive time served for corruption. Errol Alibrux, a Finance Minister during the Widjenbosch presidency years, was prosecuted and convicted for using government funds to purchase a building for four times its value. He spent a few months in jail. Otherwise, most cases have ended at worst in resignations or dragged-out court procedures.

¶5. The former Minister of Public Works, Dewanand Balesar, also is being prosecuted for corruption (REF B). He is accused of allegedly awarding fraudulent contracts totaling US \$34,000 to fictitious contractors for garbage removal at illegal dump sites. Balesar is also accused of using government funds to finance improvements to his private home, while bills showed the work was done at the Ministry of Public Works. In another case, fifteen of the Minister's workers and contractors were sentenced to several months in jail. The Minister is currently on trial.

¶6. In late 2005, then Minister of Justice and Police Siegfried Gilds, was accused of money laundering in complicity with his nephew, Andy Groenewoud, a convicted drugs dealer in the Netherlands. In Suriname, two of the Minister's associates were tried, leading to one conviction and one acquittal. Because of the charges brought against the Minister, the President asked him to resign in January, 2006. Gilds remains Chairman of Suriname's Labor Party (SPA), part of the governing coalition.

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¶7. In March of 2007, Alice Amafo, Suriname's Minister of Transport, Communication, and Tourism came under fire after submitting bills amounting to SRD 36,000 (US \$13,000) to the Ministry of Finance to pay for her private birthday bash. Minister Amafo resigned under pressure but has not been prosecuted.

¶8. COMMENT: Whether Minister Hildenberg survives this financial scandal remains to be seen. As a well-respected Minister, sentiment seems to be running in his favor. However if the extent of his direct involvement increases so may the call for his resignation. Post finds it heartening that political scandal is not ignored in Suriname. In the coming months Post will continue to report on scandal and corruption, in part to identify areas ripe for GOS cooperation with USG law enforcement initiatives to build capacity in the region. END COMMENT

SCHREIBER HUGHES